

**ND TEACHERS FUND FOR RETIREMENT**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2002**

	October-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Allocation				Allocation							
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
<i>AllianceBernstein</i>	22,163,534	2.1%	2.3%	8.06%	20,505,017	2.0%	2.3%	-13.56%	-6.60%	-28.98%	-16.11%	N/A
<i>Russell 1000 Growth</i>				9.17%				-15.05%	-7.26%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
<i>LSV</i>	47,595,513	4.6%	4.5%	2.42%	46,409,231	4.6%	4.5%	-18.29%	-16.32%	2.72%	5.54%	N/A
<i>Russell 1000 Value</i>				7.41%				-18.77%	-12.75%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>												
<i>LA Capital (Wilshire)</i>	47,309,003	4.5%	4.5%	7.44%	44,024,480	4.4%	4.5%	-16.27%	-10.04%	-17.00%	N/A	N/A
<i>Russell 1000</i>				8.31%				-16.91%	-10.01%	-17.89%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>												
<i>Northern Trust</i>	46,249,339	4.4%	4.5%	8.71%	42,552,156	4.2%	4.5%	-16.71%	-9.45%	-16.98%	N/A	N/A
<i>Strong</i>	46,091,918	4.4%	4.5%	9.05%	42,278,303	4.2%	4.5%	-16.75%	-9.21%	-20.23%	N/A	N/A
<i>Westridge</i>	57,369,546	5.5%	4.5%	8.84%	52,967,137	5.3%	4.5%	-17.19%	-9.87%	-17.54%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	149,710,804	14.3%	13.5%	8.86%	137,797,596	13.7%	13.5%	-16.88%	-9.51%	-18.23%	N/A	N/A
<i>S&amp;P 500</i>				8.80%				-17.28%	-10.00%	-17.98%	N/A	N/A
<i>S&amp;P 500 Index</i>												
<i>State Street</i>	52,223,752	5.0%	5.3%	8.81%	47,996,287	4.8%	5.3%	-17.26%	-9.97%	-17.96%	-9.14%	3.67%
<i>S&amp;P 500</i>				8.80%				-17.28%	-10.00%	-17.98%	-9.18%	3.67%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	319,002,605	30.5%	30.0%	7.58%	296,732,611	29.5%	30.0%	-16.78%	-10.47%	-17.13%	-9.48%	2.68%
<i>S&amp;P 500</i>				8.80%				-17.28%	-10.00%	-17.98%	-9.18%	3.67%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
<i>SEI</i>	98,150,783	9.4%	10.0%	2.46%	95,770,485	9.5%	10.0%	-19.10%	-17.11%	-11.87%	N/A	N/A
<i>Russell 2000 + 200bp</i>				3.38%				-20.90%	-18.23%	-6.68%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	98,150,783	9.4%	10.0%	2.46%	95,770,485	9.5%	10.0%	-19.10%	-17.11%	-11.87%	1.18%	1.95%
<i>Russell 2000</i>				3.21%				-21.40%	-18.88%	-8.59%	1.67%	4.44%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Core</i>												
<i>State Street</i>	35,900,971	3.4%	4.0%	5.13%	34,143,227	3.4%	4.0%	-19.99%	-15.88%	-11.74%	-6.76%	-2.26%
<i>MSCI EAFE - 50% Hedged</i>				5.40%				-20.02%	-15.70%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>												
<i>Capital Guardian</i>	96,331,247	9.2%	10.0%	8.23%	89,027,456	8.8%	10.0%	-21.50%	-15.03%	-13.17%	-1.00%	5.76%
<i>Bank of Ireland</i>	20,834,530	2.0%	2.0%	8.12%	19,262,251	1.9%	2.0%	-21.60%	-15.24%	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	117,165,777	11.2%	12.0%	8.21%	108,289,707	10.8%	12.0%	-21.51%	-15.07%	-12.19%	-0.63%	6.00%
<i>MSCI EAFE - 50% Hedged</i>				5.40%				-20.02%	-15.70%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>												
<i>Lazard</i>	21,776,546	2.1%	2.0%	0.94%	21,591,198	2.1%	2.0%	-17.39%	-16.61%	N/A	N/A	N/A
<i>Wellington</i>	21,012,333	2.0%	2.0%	1.42%	20,707,908	2.1%	2.0%	-17.35%	-16.17%	N/A	N/A	N/A
<b>Total Small Cap - Active</b>	42,788,879	4.1%	4.0%	1.18%	42,299,106	4.2%	4.0%	-17.37%	-16.40%	N/A	N/A	N/A
<i>SSB BROAD MARKET INDEX &lt; \$2BN</i>				-0.90%				-15.30%	-16.07%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	195,855,628	18.7%	20.0%	6.03%	184,732,040	18.4%	20.0%	-20.31%	-15.50%	-10.49%	-2.94%	2.40%
<i>MSCI EAFE - 50% Hedged</i>				5.40%				-20.02%	-15.70%	-14.62%	-5.75%	0.27%
<b>EMERGING MARKETS EQUITY</b>												
<i>Capital Guardian</i>	51,609,910	4.9%	5.0%	6.94%	48,261,472	4.8%	5.0%	-16.68%	-10.89%	-5.69%	-5.69%	-6.04%
<i>MSCI Emerging Markets Free</i>				6.49%				-16.30%	-10.87%	1.30%	-6.34%	-8.42%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
<i>Western Asset</i>	10,979,924	1.1%	1.1%	-1.08%	11,090,622	1.1%	1.1%	3.66%	2.54%	8.87%	8.93%	8.26%
<i>Lehman Aggregate</i>				-0.46%				4.58%	4.10%	8.62%	8.10%	7.57%
<i>Active Duration</i>												
<i>Criterion</i>	10,863,131	1.0%	1.1%	-0.60%	10,931,445	1.1%	1.1%	2.57%	1.96%	6.00%	7.60%	7.09%
<i>Lehman Aggregate</i>				-0.46%				4.58%	4.10%	8.62%	8.10%	7.57%

**ND TEACHERS FUND FOR RETIREMENT**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2002**

	October-02				September-02				Current	Prior Year	3 Years	5 Years
	Allocation				Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2002	6/30/2002
<b>Index</b>												
Bank of ND	13,081,049	1.3%	0.8%	-0.81%	13,187,654	1.3%	0.8%	5.96%	5.10%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	9,618,202	0.9%	0.9%	0.48%	9,572,281	1.0%	1.0%	1.44%	1.93%	5.79%	5.86%	5.90%
<b>Total Index</b>	<b>22,699,251</b>	<b>2.2%</b>	<b>1.8%</b>	<b>-0.51%</b>	<b>22,759,935</b>	<b>2.3%</b>	<b>1.8%</b>	<b>4.78%</b>	<b>4.25%</b>	<b>9.68%</b>	<b>7.81%</b>	<b>7.47%</b>
Lehman Gov/Corp				-0.96%				5.70%	4.69%	8.24%	7.85%	7.47%
<b>Convertibles</b>												
<b>TCW</b>	<b>10,102,869</b>	<b>1.0%</b>	<b>1.1%</b>	<b>3.38%</b>	<b>9,817,880</b>	<b>1.0%</b>	<b>1.1%</b>	<b>-9.90%</b>	<b>-6.85%</b>	<b>-21.20%</b>	<b>-2.06%</b>	<b>N/A</b>
First Boston Convertible Index				2.85%				-8.56%	-5.95%	-12.44%	0.11%	N/A
<b>BBB Average Quality</b>												
<b>Strong</b>	<b>10,683,731</b>	<b>1.0%</b>	<b>1.1%</b>	<b>-1.22%</b>	<b>10,832,203</b>	<b>1.1%</b>	<b>1.1%</b>	<b>0.39%</b>	<b>-0.84%</b>	<b>3.16%</b>	<b>6.83%</b>	<b>N/A</b>
Lehman BBB				-1.18%				2.70%	1.49%	5.85%	4.75%	N/A
<b>Timberland</b>												
<b>Evergreen (Wachovia)</b>	<b>8,139,192</b>	<b>0.8%</b>	<b>0.8%</b>	<b>3.30%</b>	<b>7,873,179</b>	<b>0.8%</b>	<b>0.8%</b>	<b>-0.22%</b>	<b>3.07%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
										N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>73,468,098</b>	<b>7.0%</b>	<b>7.0%</b>	<b>0.27%</b>	<b>73,305,265</b>	<b>7.3%</b>	<b>7.0%</b>	<b>0.71%</b>	<b>0.99%</b>	<b>2.56%</b>	<b>6.70%</b>	<b>6.56%</b>
Lehman Aggregate				-0.46%				4.58%	4.10%	8.62%	8.10%	7.57%
<b>HIGH YIELD BONDS</b>												
<b>Western Asset</b>	<b>81,476,002</b>	<b>7.8%</b>	<b>7.0%</b>	<b>0.63%</b>	<b>80,966,050</b>	<b>8.0%</b>	<b>7.0%</b>	<b>-3.24%</b>	<b>-2.63%</b>	<b>-6.08%</b>	<b>-3.89%</b>	<b>4.16%</b>
Lehman High Yield Bond Index				-0.87%				-2.93%	-3.77%	-3.60%	-2.31%	0.68%
<b>INTERNATIONAL FIXED INCOME</b>												
<b>International Core</b>												
<b>UBS Global (Brinson)</b>	<b>58,318,891</b>	<b>5.6%</b>	<b>5.0%</b>	<b>-0.15%</b>	<b>58,388,782</b>	<b>5.8%</b>	<b>5.0%</b>	<b>2.39%</b>	<b>2.24%</b>	<b>16.83%</b>	<b>2.39%</b>	<b>2.43%</b>
Salomon Brothers Non-US Gov't Bond Index				-0.18%				2.84%	2.65%	15.72%	3.14%	3.03%
<b>REAL ESTATE</b>												
JMB	290,644			-16.19%	1,034,424			1.94%	-14.57%	0.92%	1.25%	7.60%
INVESCO	61,348,168			-0.21%	61,479,744			3.78%	3.56%	2.61%	7.70%	N/A
J.P. Morgan	45,817,570			0.75%	45,423,753			1.64%	2.40%	4.10%	9.60%	11.72%
<b>TOTAL REAL ESTATE</b>	<b>107,456,383</b>	<b>10.3%</b>	<b>9.0%</b>	<b>0.02%</b>	<b>107,937,921</b>	<b>10.7%</b>	<b>9.0%</b>	<b>2.78%</b>	<b>2.81%</b>	<b>3.35%</b>	<b>8.64%</b>	<b>9.66%</b>
NCREIF TOTAL INDEX				0.55%				1.70%	2.26%	6.79%	9.41%	11.96%
<b>ALTERNATIVE INVESTMENTS</b>												
Brinson IVCF III	1,804,611			0.00%	1,804,611			7.46%	7.46%	61.30%	112.32%	65.03%
Coral Partners V	10,309,341			0.00%	10,994,013			-17.47%	-17.47%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	668,335			0.00%	767,748			-14.17%	-14.17%	N/A	N/A	N/A
Coral Partners VI	785,084			N/A	635,965			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	2,217,598			0.00%	2,244,859			-3.97%	-3.97%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	2,703,632			0.00%	2,536,763			-4.67%	-4.67%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	3,808,733			0.00%	3,318,861			-6.93%	-6.93%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	1,051,454			0.00%	1,064,380			-1.08%	-1.08%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	708,986			0.00%	717,702			0.15%	0.15%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,275,955			0.00%	1,192,303			12.07%	12.07%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	936,904			0.00%	948,421			7.00%	7.00%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	460,546			0.00%	466,207			-1.47%	-1.47%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	359,786			N/A	364,209			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	3,033,191			0.00%	2,971,141			6.90%	6.90%	N/A	N/A	N/A
Brinson BVCF IV	7,116,905			0.00%	7,204,393			-2.76%	-2.76%	-29.16%	-17.06%	N/A
Matlin Patterson Global Opportunities	9,423,632			N/A	9,539,477			N/A	N/A	N/A	N/A	N/A
InvestAmerica	942,363			0.00%	953,948			0.00%	0.00%	N/A	N/A	N/A
Hearthstone	4,696,968			0.00%	4,972,366			11.34%	11.34%	4.99%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>49,270,834</b>	<b>4.7%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>49,726,227</b>	<b>4.9%</b>	<b>5.0%</b>	<b>-6.40%</b>	<b>-6.40%</b>	<b>-26.09%</b>	<b>10.16%</b>	<b>10.85%</b>
Post Venture Capital Index				10.64%				-22.64%	-14.41%	-44.30%	-26.03%	-6.83%
<b>CASH EQUIVALENTS</b>												
<b>Northern Trust STIF/STEP</b>	<b>9,975,181</b>	<b>1.0%</b>	<b>2.0%</b>	<b>0.05%</b>	<b>10,493,259</b>	<b>1.0%</b>	<b>2.0%</b>	<b>0.68%</b>	<b>0.74%</b>	<b>2.29%</b>	<b>4.72%</b>	<b>5.01%</b>
90 Day T-Bill				0.15%				0.45%	0.60%	2.63%	4.67%	4.84%
<b>TOTAL FUND</b>	<b>1,044,584,315</b>	<b>100.00%</b>	<b>100.00%</b>	<b>3.97%</b>	<b>1,006,314,110</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-11.98%</b>	<b>-8.49%</b>	<b>-8.88%</b>	<b>-1.83%</b>	<b>3.68%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>4.86%</b>				<b>-13.06%</b>	<b>-8.83%</b>	<b>-9.26%</b>	<b>-3.00%</b>	<b>3.29%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**